

October 24, 2003

The Honorable William M. Thomas
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

RE: Support – American Jobs Creation Act of 2003, H.R. 2896

Dear Chairman Thomas:

On behalf of the Independent Petroleum Association of America (IPAA), I am writing to support the American Jobs Creation Act of 2003 (H.R. 2896) currently pending before the House Ways and Means Committee. IPAA appreciates your efforts in shaping this critical piece of public policy and in designing a package intended to help strengthen the country's domestic industries, including the energy exploration and production sectors. Passage of this important bill is critical.

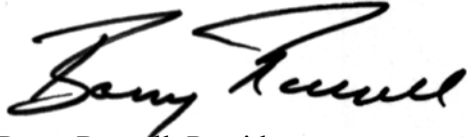
The American Jobs Creation Act contains a number of provisions critical to helping businesses both domestic and abroad. Of particular interests to IPAA is the U.S. manufacturing and production tax rate cut provision proposed in the House version of H.R. 2896. IPAA understands the current corporate tax rate would be reduced by 3 percentage points (from 35% to 32%) phased-in over a period of years. Moreover, this reduction in corporate tax rates would apply to the oil and gas industry, at both the refining and the extraction levels. IPAA strongly supports this provision and would encourage you to do all you can to ensure it is included in the final package.

IPAA would also like to note its support for the following proposed items:

- Across the board tax rate cuts for all corporations with less than \$20 million of taxable income,
- The two year extension of Section 179 expenses,
- AMT relief in the form of expanded exemptions, elimination of limitations on NOLs against AMT, and elimination of limitations on the use of foreign tax credit against AMT,
- Subchapter "S" reform,
- Repeal of the Extraterritorial Income Exclusion Act of 2000 (ETI),
- Provisions that enable U.S. companies to compete under rules similar to the their competitors,
- The prevention of double taxation on foreign source income, and
- Corporate expatriation (inversions).

Thank you again for your leadership on this critical area of policy and for your consideration. Please do not hesitate to contact me if IPAA can be of assistance in any matter.

With Best Regards,

A handwritten signature in black ink, appearing to read "Barry Russell". The signature is fluid and cursive, with the first name "Barry" and last name "Russell" clearly distinguishable.

Barry Russell, President

cc: Mr. Robert Winters, Counsel to the Committee on Ways and Means
Mr. Jeff McMillen, Staff Director, Subcommittee on Select Revenue Measures